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AUTHOR Miller, John Edgar; Thompson, Hugh L.
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ABSTRACT

Guidelines that include policies, goals, and procedures for the governance of small colleges are presented. The following guidelines suggest how different elements of an institution's governance system might be expected to operate: (1) as a corporate body, a board of trustee has at least four responsibilities; (2) individual members of a board have a number of duties; (3) board membership should be limited to a specified time period; (4) membership on the board of trustees should be balanced with respect to the various college constituencies and the needs of the college; (5) the individual and collective performance of the board of trustees should be evaluated by a trustee committee on an annual basis by a third party at least once every 5 years; (6) a member of the board should not serve as chair of the board for more than 6 consecutive years; (7) the number of ex-officio board members should be kept to a minimum; (8) a person should not serve as chair of the board until serving at least one term as a board member; (9) no trustee should be able to obligate the institution to any contract or financial agreement without the formal approval of the executive committee of the board of trustees; and (10) the president should be the primary contact of the board. (SW)

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# IMPORTANT ELEMENTS OF GOVERNANCE FOR A SMALL COLLEGE

By John Edgar Miller and Hugh L. Thompson

## INTRODUCTION

The leadership of a college might consider adopting specific guidelines to help them manage their institutions more effectively. Board members, presidents, deans, and other administrative officers will find guidelines are a useful tool as they develop strategies and tactics for advancing their colleges during the 80's.

The literature circulating throughout the educational community provides a thorough and sometimes threatening review and analysis of the problems educators are facing. Chronicles, journals, newspaper articles, newsletters, books, and monographs are discussing the actual and potential impact of inflation, government regulations, tenure, collective bargaining, standards for accreditation, open access, financial aid, population trends, financial development, and other factors associated with the management of an educational institution.

Many techniques have been proposed as possible solutions to these and other problems. Professional associations, consulting firms, professors of management, and other individuals and groups have developed and promoted their models for planning, management, and evaluation. Many models or solutions have a unique acronym. MBO, PME, SBB, PPBS, ABO, PPBE, MIS, TIS, and other processes are described in books, pamphlets, and at annual conferences.

Meanwhile, colleges continue to operate with deficits, continue to delay necessary salary improvements, continue to shortcut preventive maintenance, continue to postpone capital improvements, otherwise continue

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to mortgage their futures. The various problems create a survival crises for some -- especially small private colleges. Almost all the tax exempt not-for-profit institutions seem to be mounting more extensive, aggressive, and intensive appeals to their respective alumni, affluent individuals, corporations and foundations.

The problems listed above can be analyzed on both the macro level (national and state) and the micro level (specific area or institution). Much of the literature, discussion and debate on the issues and problems outlined above focus on the macro level. This article focuses on an approach for a college -- the micro level.

Management guidelines are defined as statements which identify parameters for the operation of an institution. The guidelines include policies, goals, and procedures.

Many of the guidelines suggested in this article include statistical minimums, maximums, or averages. THE FIGURES USED ARE NOT RECOMMENDATIONS, IDEALS, OR OPTIMUMS -- MERELY EXAMPLES. THE SPECIFIC FIGURES INCLUDED IN MANY OF THE GUIDELINES SHOULD NOT BE ADOPTED WITHOUT CAREFUL ANALYSIS. Each guideline should stimulate discussion and analysis which result in a minimum, maximum or average appropriate to the college doing the analysis. Furthermore, the guidelines suggested in this article should not be applied in a vacuum. The extenuating circumstances at a college will influence which guidelines are adopted and the limits associated with each.

A draft version of proposed guidelines should be shared with administration, faculty, and staff. This process will stimulate thinking, planning, evaluation and help eliminate surprises and crises. Effective leadership will define (or ask others to propose definitions for) the variables which can be used to monitor the quality, vitality, and stability of the organizations they are leading.

Management guidelines should be reviewed periodically. This task could be assigned to a planning committee or to a special, ad hoc task force. The purpose of the review should be to revise those guidelines which require revision and to document additional guidelines -- given the results of institutional operations during the previous year. This review could also be used to revise the statistical minimums, maximums, or averages which were established during a previous year.

All management guidelines could be collected in one loose-leaf binder. This binder might also include a copy of a faculty handbook, student handbook, collective bargaining agreement(s), and other documents that define management or administrative policies and procedures.

Management guidelines which represent statements of institutional policy or long term institutional goals must be approved by the Board of Trustees. Management guidelines which represent operating procedures must be communicated to the Board of Trustees. It should be understood, therefore, that all institutional policies are management guidelines, but not all management guidelines are necessarily institutional policies.

Anyone should be free to propose "Management Guidelines." Proposals for new management guidelines or recommendations to change existing management guidelines should be submitted in writing to the president or appropriate designee. The administrator(s) responsible for the area(s) most directly affected by the recommendation or porposed revision should respond to the proposal. The administration might consult with representatives of the faculty or representatives of the student body when proposed management guidelines have direct impact upon their welfare or the activities and operations with which they are directly involved. The president or his designee should approve all management guidelines. Or, this task might be delegated to an administrative council, executive

committee, planning committee, special task force, or college council (senate). The president should determine which management guidelines are also policies -- thus requiring approval of the Board of Trustees.

The ultimate purpose of an educational institution is to assist students to learn. Why students want to learn, or what they want to learn, or what the faculty think they should learn may vary from one college to the next and from one year (or decade) to the next. Whatever the mission and curriculum, the process of delivering the educational program and various support services must be managed with the available human, physical, and fiscal resources. These resources are limited for most colleges. Therefore, application of certain guidelines will assure the educational process meets desired levels of both quality and efficiency.

## GUIDELINES FOR GOVERNANCE

Few people challenge the premise that the Board of Trustees for an institution is the ultimate and final authority for legal and financial affairs. However, there are interesting views on the location of and the process for exercising authority for academic affairs.

The importance of governance or direction and control has increased during recent years. Experiences with collective bargaining and the need for retrenchment have sensitized many to the need for clear guidelines. The importance of this area seems to be overlooked by many institutions -- possibly because it is more negulous and subtle than finance, teaching, and other functional areas. The careful design and implementation of guidelines for the Board, key administration, committees, advisory groups, and legislative bodies can create opportunities that benefit the long range stability of the institution.

The problems and issues facing formal education are creating new demands on the time and energy of boards of trustees. The 1980's will require a different kind of board than was appropriate for the 60's and 70's. Trustees can no longer expect to have passive, quiet roles with simple, pleasant, once-a-year board meetings.

The technical services of lawyers, accountants, realtors, architects, financial counselors, stock brokers, arbitors, fund raisers and other professionals are necessary on a regular basis. The expense for the services is high while the risk of foregoing the services is usually higher.

The value of dialogue, discussion, and collegial consensus in the design of curriculum has been extended into other areas of concern. Participatory decision-making is being confused with democratic decision-making. Communication is being confused with consensus. Committees have become time-consuming, expensive techniques for confusing authority, spreading responsibility, and camoflaging accountability.

The following guidelines suggest how different elements of an institution's governance system might be expected to operate:

1. As a corporate body, a board of trustees is responsible for:
   (a) Declaring the major goals, setting general policies and insuring the integrity of the institution;
   (b) Selecting and (then) supporting the chief executive in the execution of his/her office;
   (c) Increasing, preserving, and investing the assets of the college.
   (d) Evaluating the performance of the board, president, and institution in terms of predetermined, understood criteria.
2. Individual members of a board have the responsibilities of:
   (a) Acquiring and maintaining a comprehensive knowledge of the institution;

(b) Providing expertise for each member of the board in at least one designated area of responsibility.

(c) Attending board meetings on a regular basis and participating in policy deliberations (as a norm, "regular basis" can be defined as 75 percent of all scheduled meetings);

(d) Supporting the college financially and in other ways at levels consistent with individual ability and opportunity;

(e) Representing the college and exerting influence in its behalf in order to gain friends and support for the college.

3. In view of the demands associated with being an effective trustee and the dynamic changing environment in post-secondary education, board membership should be limited (for example: four consecutive terms of three years). The off-going members may be transferred automatically to an informal group, e.g., "Associates." Re-election or re-appointment of a previous board member may occur after the person has been off the board of trustees for a specific period of time (for example: a minimum of one caldnear year).

4. Membership on the board of trustees should be balanced with respect to:

   (a) The various constituencies being served by the college:

   (b) The needs of the college.

5. The individual and collective performance of the board of trustees should be evaluated by a "Trustee Committee" on an annual basis and by an external (third party) agency a minimum of once every five years.

6. A member of the board should not serve as chairman of the board for more than six consecutive years.

7. The number of ex-officio board members should be kept to a minimum. No ex-officio member should chair board committees.

8. Each member of the board of trustees should be responsible for identifying, recommending, and (of their recommendation is approved) training new members for the board who will add strength and quality to the board.

9. A person should not serve as chairman of the board until he/she has been a board member for at least one term.

10. The College should not enter into an agreement which involves the obligation of college funds with any firm with which a member of the board of trustees is employed or affiliated without competitive, open bids.

11. No trustee should be able to obligate the institution to any contract, financial agreement, or other commitment without the formal approval of the executive committee of the board of trustees.

12. The president should be the primary contact with the board. Other employees of the college may need to contact members of the board who are chairmen of board committees when the employee is working on a project for which a committee is responsible. The president must be kept fully advised.

13. Trustees should give serious consideration to:

    (a) Hosting or sponsoring social functions involving trustees, faculty, administration and students (i.e., small groups informally for lunch).

    (b) Sponsoring their own memberships in professional, postsecondary organizations (e.g.: Association of Governing Boards, Society for College and University Planning, American Council on Education, Council for Advancement and Support of Education, etc.).

(c) Providing matching funds for present or anticipated endowment.

(d) Including the college as a beneficiary in their life insurance and will.

14. Every board committee and every college committee should have:

(a) Criteria for membership,

(b) At least one objective which includes measurable evaluative criteria,

(c) A chairperson,

(d) Written minutes,

(e) Formally scheduled meeting time and place,

(f) A written agenda for each meeting distributed in advance, and

(g) A written evaluation at the end of each year. Efforts should be made to insure continuity in membership from one year to the next.

15. Careful consideration should be given to the appropriate application of "sunset laws" on all elements of the institution. This technique can help the leadership assure policies, procedures, committees, and guidelines remain responsive to need.

16. Students should be asked to elect three or four students to represent them at board meetings. The role of these non-voting representatives should be to answer questions or ask questions when given the opportunity by the chairman of the meeting.

17. Faculty and staff should be asked to elect three or four of their ranks to represent them at board meetings -- for the same purpose described above.

## SUMMARY

The rational development and implementation of management guidelines that are appropriate to the unique characteristics of a given college can serve as a practical tool for leading the college through the 1980's. The process of establishing and monitoring a college's performance on certain variables will signal problems in time for corrective action to be taken before the problem becomes a crisis.

The first level of accountability for mismanagement or poor leadership of an institution belongs to the leader that does not define -- or insist that acceptable, functional definitions be established for -- the basic policies, limits, and guidelines that will help an institution advance. The effective leader will develop (or facilitate the development of) framework for advancing the college. This framework -- or these guidelines -- can be one of the "givens" used by those who are responsible for program development and administration. As always, the process will demand the ability to cope with elected or self-appointed representatives of small, but vocal special-interest groups.

The conceptual as well as practical differences or distinctions between leadership and management, and management and administration will continue to be interesting topics for discussion. Meanwhile, the future of many colleges depends, in part, on the demonstrated quality of education delivered and the ability of their leaders to anticipate problems, recognize opportunities, define needs, and create the environment in which desired change occurs while the daily, routine procedures are administered in an efficient and effective way. Appropriate guidelines which define and help monitor efficiency and effectiveness will promote advances in quality, vitality, and stability.